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SUBJECT: AMBASSADOR SHEHI DISCUSSES THE UAE'S ROLE IN IRAQ
WITH SANI

Classified By: Political Counselor Yuri Kim for reasons 1.4 (b) and (d)
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¶1. (C) SUMMARY: Senior Advisor for Northern Iraq (SANI) discussed the UAE's role in Iraq with Ambassador Abdullah Ebrahim Alzoy al Shehi on February 7. Shehi noted the Sunni - Shi'a divide, Iraq's lack of a "business friendly" investment climate and Iraqi's poor educational system as significant issues that negatively impact the UAE's relations with Iraq. Regarding the Arab-Kurd divide, Ambassador Shehi stated the UAE has positive relations with both the Government of Iraq (GOI) and Kurdistan Regional Government (KRG) and, if asked, can play a useful role in reconciliation. The UAE sees its relationship with the KRG within the framework of a unified Iraq and has no plans to open a consulate in Erbil. He cited endemic corruption in the KRG as creating significant social divisions among Kurdish population which negatively impede Kurdistan's development. END SUMMARY.

Challenges to Iraq's Unity Continue

¶2. (C) In SANI's February 7 meeting with UAE Ambassador Abdullah Ebrahim Alzov al-Shehi, Shehi asserted that everyday the Sunni-Shi'a divide is a major issue and that Iraqi unity is lacking. He observed that ethnic and religious groups advocate their own versions of history, often emphasizing separatism and teaching hate. Shehi stated, "It is impossible to change this mentality, and that change will only come with a new generation and new thinking." He bemoaned the fact that too many Shi'a were permeated by Iran's influence during 20 years, exile in Iran. The (Sunni) Arab world, he noted, made a major mistake by not allowing these exiles to come to Arab countries instead of Iran.

Education Vital to Change

¶3. (C) Shehi stated that education is vital to change, but that Shi'a leaders in the south want to keep the population illiterate to maintain control. He alleged that Shi'a leaders tell the people that if they don't behave as ordered, they will go to hell. Education is dangerous to them because it leads people to ask the question, "why?" He again restated that it takes a new generation, and that we should not expect significant change in Iraq for the next 50 years; that patience is required. He opined that Iraq needs to follow the lead of the UAE, where young people are in control and are very open to new ideas.

Iraq's Investment Climate Must Improve

¶4. (C) SANI noted that Iraq has a critical need for port management and UAE companies offer some of the best port

management services in the world. Shehi reported that Dubai Ports World (DPW) has met with the GOI on several occasions, expressing interest in working in Iraq, but that the GOI Ministry of Transportation turned DPW down. Likewise, UAE petroleum companies encountered the same problems with the Iraqi Ministry of Oil Hussein Shahrastani. He stated that, "Iraq needs an open mentality toward foreign investment which currently does not exist." He informed that the UAE is not looking so much for investment in Iraq as it is for security; that the UAE does not want to see violence exported to other countries. He opined that Iraq could learn much and benefit substantially from the UAE's open investment climate model.

Kurdistan's Future as Part of Iraq

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15. (C) Shehi stated that the UAE wants good relations with the KRG, but only within the framework of a unified Iraq. The UAE's view is that Iraq has one government and all of its citizens have the same rights under it. He asserted that history should not be a source of division. Shehi reported that he told KRG Prime Minister Barham Salih that things are different now and that the KRG can be an important part of Iraq. He advised Salih to look to the Gulf; without the rest of Iraq, Kurdistan cannot connect to the world; that the Kurds would not be successful in creating their own country. He noted that Salih will visit the UAE and that UAE President Sheikh Khalifa will deliver the message to him that Kurdistan's best future is as part of a unified Iraq and any move toward independence would result in hostile relations with its neighbors and reverse all the successes that Kurdistan has achieved so far.

Kurdistan's Unfulfilled Promise

16. (C) Shehi acknowledged that endemic corruption is a problem in Iraq and that Kurdistan is no exception. He noted that despite images of new prosperity (a new airport, new convention halls, and other structures) that most Kurds remain poor and the average Kurdish citizen has benefited very little. There is a huge gap between the wealthy and the majority of Kurds, with most of the wealthy having amassed their wealth through corruption and by using the assets of the state for their own purposes.

No Intention to Open a Consulate in Erbil

17. (C) Shehi acknowledged that the Kurds have asked the UAE to establish a consulate in Erbil, but that there is no need for one at the present. He stated that relations with the KRG were good, but that since the KRG is part of Iraq that establishing a consulate in Kurdistan would have to first be approved by the GOI. The UAE has not asked the GOI for permission to open a consulate.

The Arab-Kurd Divide

18. (C) Shehi believes that the UAE can play a positive role in resolving the Arab-Kurd divide and is happy to be involved where it can help, but that the UAE must first be asked officially. He noted that the UAE has a positive relationship with both the GOI and KRG and can possibly help in bringing the parties together. The UAE supports both UNAMI's and the USG's efforts to resolve DIBs issues. Shehi noted that it is important to successfully incorporate the peshmerga into the Iraqi Army; if this doesn't happen, the country can't be unified. He noted that in Northern Iraq, the Arabs feel threatened by the peshmerga and Assayesh. The Kurds feel threatened by the Iraqi Army. He believes for anyone who feels a threat, it becomes real.

19. (C) COMMENT. UAE Ambassador Shehi is frustrated at the limited scope available to him for diplomatic engagement and would like to stake out a broader Emirati role in spurring

development of the new Iraq. His presence remains an important, positive symbol of Gulf Cooperation Council (GCC) support, however, and he seems to understand the significance of his ongoing presence here. His supportive engagement with both the KRG and GOI is also positive and may continue to grow on the KRG side following the visit of KRG PM Dr. Barham Salih to the UAE. END COMMENT.
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